



General Assembly

Substitute Bill No. 36

February Session, 2004

* _____ SB00036HEDF IN030904 _____ *

**AN ACT CONCERNING STATE MATCHING FUNDS FOR
ENDOWMENT FUND ELIGIBLE GIFTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10a-8b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 There is established a Higher Education State Matching Grant Fund
4 to be administered by the Department of Higher Education. Moneys
5 required to be appropriated or bonded by the state for purposes of the
6 state match of endowment fund eligible gifts under subdivision (2) of
7 subsection (a) of section 10a-143a, as amended by this act, subdivision
8 (2) of subsection (a) of section 10a-77a, as amended by this act,
9 subdivision (2) of subsection (a) of section 10a-99a, as amended by this
10 act, and subdivision (2) of subsection (b) of section 10a-109i, as
11 amended by this act, shall be deposited in the fund. The fund shall be
12 held separate and apart from all other funds and accounts of the state
13 and the department. The Department of Higher Education shall
14 transfer, in accordance with said subdivisions, from the fund amounts
15 each fiscal year for deposit in the endowment funds established for the
16 benefit of each constituent unit pursuant to subdivision (1) of
17 subsection (a) of section 10a-143a, subdivision (1) of subsection (a) of
18 section 10a-77a, subdivision (1) of subsection (a) of section 10a-99a and
19 subdivision (1) of subsection (b) of section 10a-109i. The amount

20 transferred shall be certified based on agreed upon procedures
21 developed by an independent certified accountant or, upon request,
22 the Auditors of Public Accounts to determine compliance with this
23 section. Such procedures shall be mutually agreed upon by each
24 constituent unit and the Department of Higher Education prior to
25 commencement of the certification. State matching funds shall be
26 maintained in such manner that such funds and any earnings derived
27 from such funds may be accounted for fully.

28 Sec. 2. (*Effective July 1, 2004*) (a) For the fiscal year ending June 30,
29 2005, the State Bond Commission shall authorize the issuance of bonds
30 of the state in one or more series, not exceeding, in the aggregate, the
31 amount of the state match of endowment fund eligible gifts under
32 subdivision (2) of subsection (a) of section 10a-143a of the general
33 statutes, as amended by this act, subdivision (2) of subsection (a) of
34 section 10a-77a of the general statutes, as amended by this act,
35 subdivision (2) of subsection (a) of section 10a-99a of the general
36 statutes, as amended by this act, and subdivision (2) of subsection (b)
37 of section 10a-109i of the general statutes, as amended by this act. The
38 proceeds of the sale of said bonds shall be deposited in the fund
39 established pursuant to section 10a-8b of the general statutes, as
40 amended by this act, and shall be used by the Department of Higher
41 Education to cover the amount of the state match of endowment fund
42 eligible gifts under said subdivision (2) of subsection (a) of section 10a-
43 143a, said subdivision (2) of subsection (a) of section 10a-77a, said
44 subdivision (2) of subsection (a) of section 10a-99a and said
45 subdivision (2) of subsection (b) of section 10a-109i of the general
46 statutes for the unfunded portion of the fiscal year ending June 30,
47 2002, and for the fiscal years ending June 30, 2003, and June 30, 2004.

48 (b) All provisions of section 3-20 of the general statutes, or the
49 exercise of any right or power granted thereby, which are not
50 inconsistent with the provisions of this section are hereby adopted and
51 shall apply to all bonds authorized by the State Bond Commission
52 pursuant to this section, and temporary notes in anticipation of the
53 money to be derived from the sale of any such bonds so authorized

54 may be issued in accordance with said section 3-20 and from time to
55 time renewed. Such bonds shall mature at such time or times not
56 exceeding twenty years from their respective dates as may be provided
57 in or pursuant to the resolution or resolutions of the State Bond
58 Commission authorizing such bonds. None of said bonds shall be
59 authorized except upon a finding by the State Bond Commission that
60 there has been filed with it a request for such authorization which is
61 signed by or on behalf of the Secretary of the Office of Policy and
62 Management and states such terms and conditions as said commission,
63 in its discretion, may require. Said bonds issued pursuant to this
64 section shall be general obligations of the state and the full faith and
65 credit of the state of Connecticut are pledged for the payment of the
66 principal of and interest on said bonds as the same become due, and
67 accordingly and as part of the contract of the state with the holders of
68 said bonds, appropriation of all amounts necessary for punctual
69 payment of such principal and interest is hereby made, and the State
70 Treasurer shall pay such principal and interest as the same become
71 due.

72 Sec. 3. (NEW) (*Effective July 1, 2004*) For the fiscal year ending June
73 30, 2006, and each fiscal year thereafter, the State Bond Commission
74 may authorize the issuance of bonds of the state in one or more series,
75 not exceeding, in the aggregate, the amount of the state match of
76 endowment fund eligible gifts under subdivision (2) of subsection (a)
77 of section 10a-143a of the general statutes, as amended by this act,
78 subdivision (2) of subsection (a) of section 10a-77a of the general
79 statutes, as amended by this act, subdivision (2) of subsection (a) of
80 section 10a-99a of the general statutes, as amended by this act, and
81 subdivision (2) of subsection (b) of section 10a-109i of the general
82 statutes, as amended by this act. The proceeds of the sale of said bonds
83 shall be deposited in the fund established pursuant to section 10a-8b of
84 the general statutes, as amended by this act, and shall be used by the
85 Department of Higher Education to cover the amount of the state
86 match of endowment fund eligible gifts under said subdivision (2) of
87 subsection (a) of section 10a-143a, said subdivision (2) of subsection (a)

88 of section 10a-77a, said subdivision (2) of subsection (a) of section 10a-
89 99a and said subdivision (2) of subsection (b) of section 10a-109i of the
90 general statutes that has not been covered through an appropriation
91 from the General Fund.

92 Sec. 4. Subdivision (2) of subsection (a) of section 10a-77a of the
93 general statutes is repealed and the following is substituted in lieu
94 thereof (*Effective July 1, 2004*):

95 (2) For each of the fiscal years ending June 30, 2000, to June 30, 2014,
96 inclusive, as part of the state contract with donors of endowment fund
97 eligible gifts, the Department of Higher Education, in accordance with
98 section 10a-8b, as amended by this act, shall deposit in the Endowment
99 Fund for the Community-Technical College System a grant in an
100 amount equal to half of the total amount of endowment fund eligible
101 gifts received by or for the benefit of the community-technical college
102 system as a whole and each regional community-technical college for
103 the calendar year ending the December thirty-first preceding the
104 commencement of such fiscal year, as certified by the chairperson of
105 the board of trustees by February fifteenth to (A) the Secretary of the
106 Office of Policy and Management, (B) the joint standing [committee]
107 committees of the General Assembly having cognizance of matters
108 relating to appropriations and the budgets of state agencies and
109 finance, revenue and bonding, and (C) the Commissioner of Higher
110 Education, provided such sums do not exceed the endowment fund
111 state grant maximum commitment for the fiscal year in which the
112 grant is made. In any such fiscal year in which the total of the eligible
113 gifts received by the community-technical colleges exceeds the
114 endowment fund state grant maximum commitment for such fiscal
115 year the amount in excess of such endowment fund state grant
116 maximum commitment shall be carried forward and be eligible for a
117 matching state grant in any succeeding fiscal year from the fiscal year
118 ending June 30, 2000, to the fiscal year ending June 30, 2014, inclusive,
119 subject to the endowment fund state grant maximum commitment.
120 Any endowment fund eligible gifts that are not included in the total
121 amount of endowment fund eligible gifts certified by the chairperson

122 of the board of trustees pursuant to this subdivision may be carried
123 forward and be eligible for a matching state grant in any succeeding
124 fiscal year from the fiscal year ending June 30, 2000, to the fiscal year
125 ending June 30, 2014, inclusive, subject to the endowment fund state
126 matching grant commitment for such fiscal year.

127 Sec. 5. Subdivision (2) of subsection (a) of section 10a-99a of the
128 general statutes is repealed and the following is substituted in lieu
129 thereof (*Effective July 1, 2004*):

130 (2) For each of the fiscal years ending June 30, 2000, to June 30, 2014,
131 inclusive, as part of the state contract with donors of endowment fund
132 eligible gifts, the Department of Higher Education, in accordance with
133 section 10a-8b, as amended by this act, shall deposit in the Endowment
134 Fund for the Connecticut State University System a grant in an amount
135 equal to half of the total amount of endowment fund eligible gifts
136 received by or for the benefit of the Connecticut State University
137 system as a whole and each state university for the calendar year
138 ending the December thirty-first preceding the commencement of such
139 fiscal year, as certified by the chairperson of the board of trustees by
140 February fifteenth to (A) the Secretary of the Office of Policy and
141 Management, (B) the joint standing [committee] committees of the
142 General Assembly having cognizance of matters relating to
143 appropriations and the budgets of state agencies and finance, revenue
144 and bonding, and (C) the Commissioner of Higher Education,
145 provided such sums do not exceed the endowment fund state grant
146 maximum commitment for the fiscal year in which the grant is made.
147 In any such fiscal year in which the total of the eligible gifts received
148 by the Connecticut State University system as a whole and each state
149 university exceed the endowment fund state grant maximum
150 commitment for such fiscal year the amount in excess of such
151 endowment fund state grant maximum commitment shall be carried
152 forward and be eligible for a matching state grant in any succeeding
153 fiscal year from the fiscal year ending June 30, 2000, to the fiscal year
154 ending June 30, 2014, inclusive, subject to the endowment fund state
155 grant maximum commitment. Any endowment fund eligible gifts that

156 are not included in the total amount of endowment fund eligible gifts
157 certified by the chairperson of the board of trustees pursuant to this
158 subdivision may be carried forward and be eligible for a matching
159 state grant in any succeeding fiscal year from the fiscal year ending
160 June 30, 2000, to the fiscal year ending June 30, 2014, inclusive, subject
161 to the endowment fund state matching grant maximum commitment
162 for such fiscal year.

163 Sec. 6. Subdivision (2) of subsection (b) of section 10a-109i of the
164 general statutes is repealed and the following is substituted in lieu
165 thereof (*Effective July 1, 2004*):

166 (2) For each of the fiscal years ending June 30, 1999, to June 30, 2014,
167 inclusive, as part of the state contract with donors of endowment fund
168 eligible gifts, the Department of Higher Education, in accordance with
169 section 10a-8b, as amended by this act, shall deposit in the endowment
170 fund for the university a grant in an amount equal to half of the total
171 amount of endowment fund eligible gifts, except as provided in this
172 subparagraph, received by the university or for the benefit of the
173 university for the calendar year ending the December thirty-first
174 preceding the commencement of such fiscal year, as certified by the
175 chairperson of the board of trustees by February fifteenth to (i) the
176 Secretary of the Office of Policy and Management, (ii) the joint
177 standing [committee] committees of the General Assembly having
178 cognizance of matters relating to appropriations and the budgets of
179 state agencies and finance, revenue and bonding, and (iii) the
180 Commissioner of Higher Education, provided such sums do not
181 exceed the endowment fund state grant maximum commitment for the
182 fiscal year in which the grant is made. For the fiscal years ending June
183 30, 1999, and June 30, 2000, the Department of Higher Education shall
184 deposit in the endowment fund for the university grants in total
185 amounts which shall not exceed the endowment fund state grant, as
186 defined in subdivision (7) of section 10a-109c of the general statutes,
187 revision of 1958, revised to January 1, 1997, and which shall be equal to
188 the amounts certified by the chairperson of the board of trustees for
189 each such fiscal year of endowment fund eligible gifts received by the

190 university or for the benefit of the university and for which written
191 commitments were made prior to July 1, 1997. For the fiscal year
192 ending June 30, 1999, the funds required to be deposited in the
193 endowment fund pursuant to this subparagraph shall be appropriated
194 to the university for such purpose and not appropriated to the fund
195 established pursuant to section 10a-8b. In any such fiscal year in which
196 the eligible gifts received by the university exceed the endowment
197 fund state grant maximum commitment for such fiscal year the
198 amount in excess of such endowment fund state grant maximum
199 commitment for such fiscal year, shall be carried forward and be
200 eligible for a matching state grant in any succeeding fiscal year from
201 the fiscal year ending June 30, 1999, to the fiscal year ending June 30,
202 2014, inclusive, subject to the endowment fund state grant maximum
203 commitment for such fiscal year. Any endowment fund eligible gifts
204 that are not included in the total amount of endowment fund eligible
205 gifts certified by the chairperson of the board of trustees pursuant to
206 this subparagraph may be carried forward and be eligible for a
207 matching state grant in any succeeding fiscal year from the fiscal year
208 ending June 30, 2000, to the fiscal year ending June 30, 2014, inclusive,
209 subject to the endowment fund state matching grant maximum
210 commitment for such fiscal year.

211 Sec. 7. Subdivision (2) of subsection (a) of section 10a-143a of the
212 general statutes is repealed and the following is substituted in lieu
213 thereof (*Effective July 1, 2004*):

214 (2) For each of the fiscal years ending June 30, 2000, to June 30, 2014,
215 inclusive, as part of the state contract with donors of endowment fund
216 eligible gifts, the Department of Higher Education, in accordance with
217 section 10a-8b, as amended by this act, shall deposit in the Endowment
218 Fund for Charter Oak State College a grant in an amount equal to half
219 of the total amount of endowment fund eligible gifts received by or for
220 the benefit of Charter Oak State College for the calendar year ending
221 the December thirty-first preceding the commencement of such fiscal
222 year, as certified by the chairperson of the Board for State Academic
223 Awards by February fifteenth to (A) the Secretary of the Office of

224 Policy and Management, (B) the joint standing [committee] committees
 225 of the General Assembly having cognizance of matters relating to
 226 appropriations and the budgets of state agencies and finance, revenue
 227 and bonding, and (C) the Commissioner of Higher Education,
 228 provided such sums do not exceed the endowment fund state grant
 229 maximum commitment for the fiscal year in which the grant is made.
 230 In any such fiscal year in which the total of the eligible gifts received
 231 by Charter Oak State College exceeds the endowment fund state grant
 232 maximum commitment for such fiscal year the amount in excess of
 233 such endowment fund state grant maximum commitment shall be
 234 carried forward and be eligible for a matching state grant in any
 235 succeeding fiscal year from the fiscal year ending June 30, 2000, to the
 236 fiscal year ending June 30, 2014, inclusive, subject to the endowment
 237 fund state grant maximum commitment. Any endowment fund
 238 eligible gifts that are not included in the total amount of endowment
 239 fund eligible gifts certified by the chairperson of the Board for State
 240 Academic Awards pursuant to this subdivision may be carried
 241 forward and be eligible for a matching state grant in any succeeding
 242 fiscal year from the fiscal year ending June 30, 2000, to the fiscal year
 243 ending June 30, 2014, inclusive, subject to the endowment fund state
 244 matching grant maximum commitment for such fiscal year.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>July 1, 2004</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>

HED *Joint Favorable Subst. C/R*

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